

CESAS-OP  
DEPARTMENT OF THE ARMY  
SAVANNAH DISTRICT, CORPS OF ENGINEERS  
P.O. BOX 889  
SAVANNAH, GA 31402-0889

DISTRICT REGULATION  
NO. 11-1-5

20 Jul 01

Army Programs  
OPERATION AND MAINTENANCE, GENERAL BUDGET PROCESS

1. Purpose. The purpose of this regulation is to prescribe the policies and procedures to be used in formulating and executing the Savannah District 96x3123 Operations and Maintenance (O&M), General, budget.
2. Applicability. This DR applies to all District components with responsibilities for the formulation and execution of the 96x3123 Operations and Maintenance, General, Budget.
3. References.
  - a. ER-5-1-11, Program and Project Management, 27 Feb 98.
  - b. ER-11-2-201, Civil Works Activities – Funding, Work Allowances, and Reprogramming, 31 Aug 95.
  - c. Corps of Engineers Civil Works Direct Program, Program Development Guidance, Appendix C, Operation and Maintenance, General, published annually (budget Engineering Circular).
4. Policy. The policy of the Savannah District is to ensure that the Operations and Maintenance, General, (O&M) Budget is prepared and the subsequent funding is managed and executed corporately with the primary responsibility vested in the Operations Managers. (The term Project (capitol “P”) as used here is defined as the O&M, General, Project, not the project (small “p”) as defined in ER 5-1-11.) The Operations Managers develop their budgets and are responsible for the management of all of the funds allocated to their Project(s). This is done in close cooperation and in coordination with the O&M Program Manager in the Programs and Project Management Branch, Civil Programs Section of Project Management Division and other district organizations who support the O&M, General, Program.

5. Responsibilities.

a. Chief, Operations Division.

(1) Has overall responsibility for managing the O&M Program in the Savannah District. As such he has responsibility for decisions pertaining to budget development and funds management.

(2) Ensures that budget requests and reprogramming actions provide balanced and equitable treatment to all O&M Business Functions, i.e., Navigation, Hydropower, Flood Damage Reduction, Environmental Stewardship, and Recreation and reflect Savannah District, South Atlantic Division, and HQUSACE priorities for the O&M program.

(3) Maintains a list of unfunded work in priority order for the O&M Program with the objective of systematically reducing backlog in an efficient manner in accordance with guidance presented in the annual budget Engineer Circular (EC) and other applicable guidance.

(4) Continually reviews the O&M Program in an effort to achieve cost savings.

(5) Assures that Operations Managers and project and technical managers in Operations Division are fully trained in all aspects of Project Operation, budget preparation and funds management, corporate team management, and in the Corps of Engineers Business Process.

(6) With the O&M Program Manager, Programs and Project Management Division, Civil Works Project Management Branch, Civil Programs Section, establishes annual funding targets for each Project.

b. Operations Manager (OM).

(1) In consultation and coordination with the Chief, Operations Division, O&M Program Manager, Programs and Project Management Division, Civil Works Programs and Project Management Branch, Civil Programs Section and support organizations, develops a sound and realistic project budget that can be executed as scheduled, in accordance with established guidance and commitments to customers.

(2) Executes their approved program.

(3) Maintains a list of unfunded work in priority order for their Project with the objective of systematically reducing backlog in an efficient manner in accordance with guidance presented in the annual budget EC and other applicable guidance.

(4) Continually reviews their program in an effort to achieve cost savings.

c. O&M Program Manager, Programs and Project Management Division, Civil Works Programs and Project Management Branch, Civil Programs Section.

(1) Provides budget and execution guidance to the Chief, Operations Division, and the Operations Managers. This requires a very close working arrangement.

(2) With the Chief, Operations Division establishes annual funding targets for each Project.

(3) Establishes jointly with the Chief, Operations Division, the initial District ranking of all budget work packages.

(4) Conducts a corporate review of the proposed O&M budget submission to ensure that the budget truly reflects the District's priorities for the O&M program and that the best strategy is being followed in order to obtain the maximum funding for the Savannah District O&M Program.

(5) Loads work packages into the Automatic Budget System (ABS) database and forward the District's approved initial budget request to the SAD O&M Program Manager.

(6) Is the District POC for higher authority on O&M, General, budget matters.

d. Functional Chiefs Other than the Chief, Operations Division.

(1) Assigns personnel to represent their organization who are personally involved in the annual O&M budget formulation meetings that are held for the various O&M business functions. If this responsibility is delegated, the functional chief will delegate full decision authority for the purpose of the budget formulation.

(2) Prepares budget packages that support the Projects' needs and are in accordance with all applicable guidance. Packages will balance requirements with priorities and available funding.

(3) Ensures budget packages reflect the correct funding levels submitted for their organization as described in the budget EC and reflect Savannah District, South Atlantic Division, and HQUSACE priorities for the O&M program.

(4) Ensures that budget work packages submitted provide justified levels of service at least cost.

6. Process.

a. General.

(1) In the Savannah District, a corporate approach will be used to accomplish the highest priority O&M work within available resources. Functional offices will participate in corporate reviews of the O&M budget process and be responsible for balancing regulatory requirements with District and higher authority priorities and funding constraints. Details of and schedules for the corporate reviews will be developed by the Chief, Operations Division and the O&M Program Manager, Programs and Project Management Division, Civil Works Programs and Project Management Branch, Civil Programs Section at the beginning of each fiscal year (see Timeline and Flow Chart, Appendices A and B).

(2) Fiscal and physical performance will be closely monitored to maximize expenditure of funds during the fiscal year. Projects and/or projects that have slipped will be used as sources of funds for reprogramming to Projects or projects with increased requirements or to fund backlog maintenance items. The Chief of Operations Division will maintain an unfunded items list in priority order for the O&M Program with the objective of systematically reducing backlog in an efficient manner in accordance with guidance presented in the annual budget EC and other applicable guidance. Procedures, priorities, and policies on reprogramming of O&M funds are contained in reference 3c, above and in supplemental guidance from CESAD.

(3) Because of the need for flexibility in the execution of the O&M program to provide rapid response to emergency conditions and changing priorities, HQUSACE has informal agreements with the Congressional Appropriations Committees regarding reprogramming within the appropriations. Therefore, it is important that reprogramming be consistent with the guidance. Should a controversy arise between organizations or business functions regarding the priority of work or reprogramming of O&M funds, every effort should be made to reach a consensus at the lowest possible level in accordance with guidance outlined in the above references. However, if no consensus can be reached, the matter will be discussed with the Chief, Operations Division for resolution. If the Chief, Operations Division cannot resolve the disagreement, the issue will be presented to the District Corporate Board for resolution.

(4) O&M, General funds do not expire, however, in order to meet execution goals, every effort must be made to expend funds within the year that they are appropriated. Any slippage in the approved program must be reported immediately to the appropriate OM. If the slippage cannot be made up, the OM must report the slippage and the amount of excess funds to the Chief, Operations Division, who will, in coordination with PM-CP, reprogram the excess funds to the highest priority item(s) on the approved District Unfunded Requirements List (see below) within limits imposed by higher authority. As long as the approved list is used, further approval

is not required, however, the District Commander should be informed of the reprogramming at the earliest opportunity.

b. Budget Formulation and Funds Allocation (See Appendix A and/or Appendix B).

c. Unfunded Requirements. In accordance with the Corps of Engineers' goal of reducing the O&M, General, backlog, Operations Division will identify unfunded requirements that could be accomplished in the Program Year should additional funds become available. The list will consist of both operations and maintenance items, to include emergency items, and will be in priority order in accordance with guidance contained in the annual budget EC. Backlog is not limited to infrastructure related work packages. Items that are "below the line" in the current budget should, as far as possible, considering emergencies and changing priorities, receive the highest priority on the list. Items that are excluded from backlog are outlined in reference 3c, above. The unfunded requirements will be updated at least quarterly to reflect the changing priorities of the program. Development of the list should be an iterative process that employs all the knowledge and support tools available in the district to ensure the highest unfunded priorities are met. The Unfunded Requirements List will be presented to the Corporate Board for review and will be approved by the District Commander.

2 Appendices  
App A – O&M Budget Process  
Timeline Narrative  
APP B – O&M Budget Process  
Formulation Flowchart

Distribution C & D

/s/  
ROGER A. GERBER  
COL, EN  
Commanding

## APPENDIX A

### O&M BUDGET PROCESS TIMELINE NARRATIVE

#### FORMULATION

Mid Feb	PM-CP receives budget guidance EC from SAD and HQUSACE.
Mid Feb	PM-CP receives tentative budget target from SAD.
Mid Feb	PM-CP discusses budget guidance and tentative targets with Chief, Operations Division.
Late Feb	PM-CP distributes work packages, along with budget formulation guidance, to Operations Managers (OMs) and district support elements (PM, PD, EN, PM, RE and CD).
Late Feb/ Early Mar	OMs coordinate budget input with district support elements.
Early April	OMs, along with support elements, complete budget input and OMs submit complete packages to PM-CP.
April	PM-CP begins loading packages into O&M Automated Budget System (ABS).

#### REVIEW

April	Chief, OP, and other District Chiefs, in conjunction with their designated representatives, review packages and brief DE and DP.
May	PM-CP incorporates O&M budget into overall district program and submits to SAD.
May	SAD and Functional Area Teams review district packages and incorporate into overall division program.
May	PM-CP coordinates with OP and responds to questions from SAD on individual work packages.

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June	HQUSACE reviews work packages for entire Corps of Engineers.
June	PM-CP coordinates with OP and responds to questions from SAD and the USACE on individual work packages.
Nov	PM-CP receives OMB passback and coordinates with OP who, in turn, coordinates with other District chiefs as appropriate.
Jan	President's Budget established – communicated through PM-CP to OP.
Jan	PM-C prepares Mini-Hearing for SAD Commander and coordinates O&M presentations with OP.
Jan	Public Discussion Phase.
Feb	President's Budget sent to Congress, releasable to public and customers.
Feb	PM-CP responds to inquiries for testimony preparation with input from OP.
Feb	PM-C with OP develops additional capabilities list.
Feb	District reviews and approves additional capabilities (OP, PM, DC, DE).

#### PROGRAM DEVELOPMENT

June	PM-CP receives House & Senate Reports & coordinates with Chief, OP.
Sep	PM-CP receives Conference Report and coordinates with OP.
Sep	Appropriation signed and issued with Congressional adds, if any.

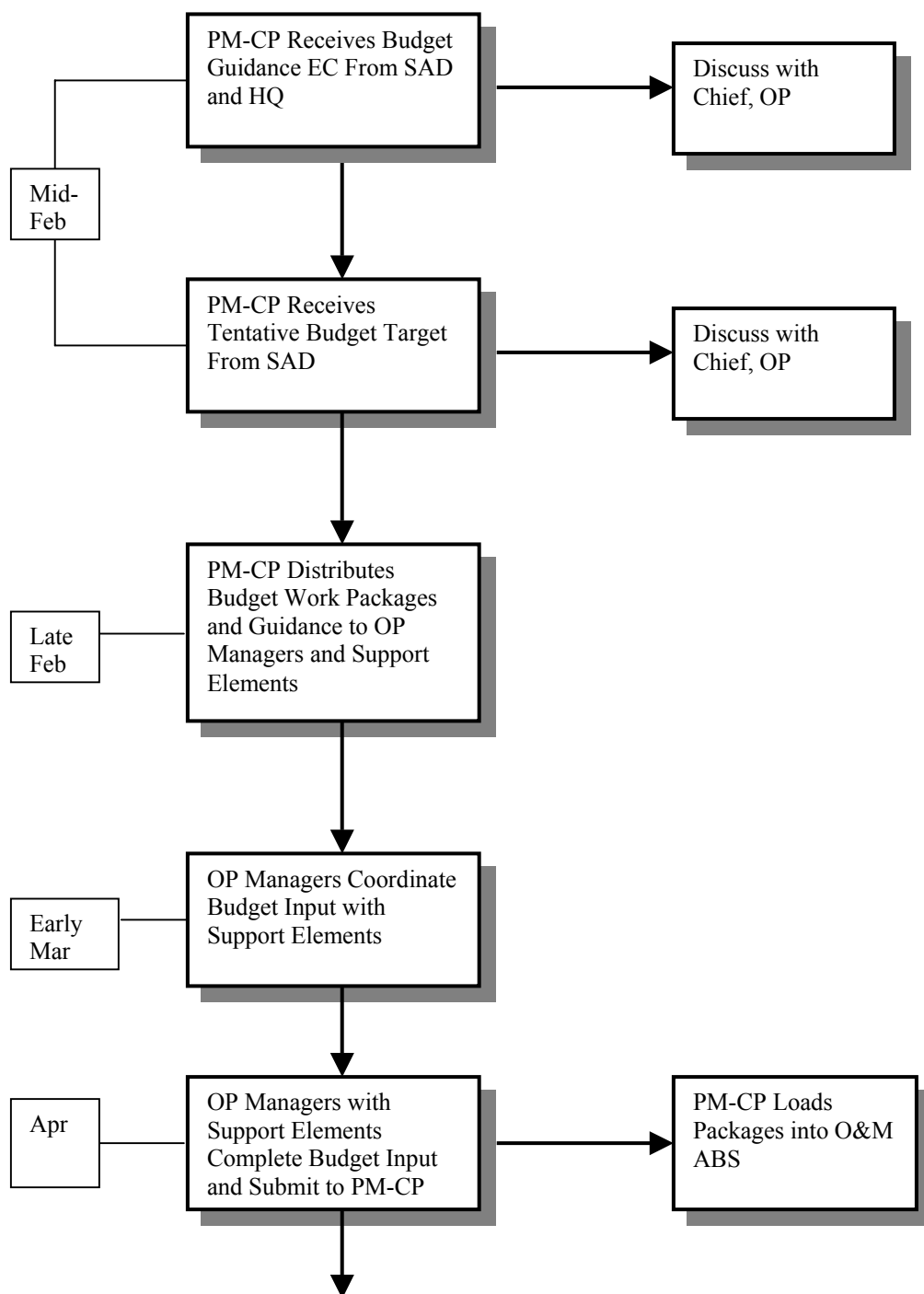
#### EXECUTION

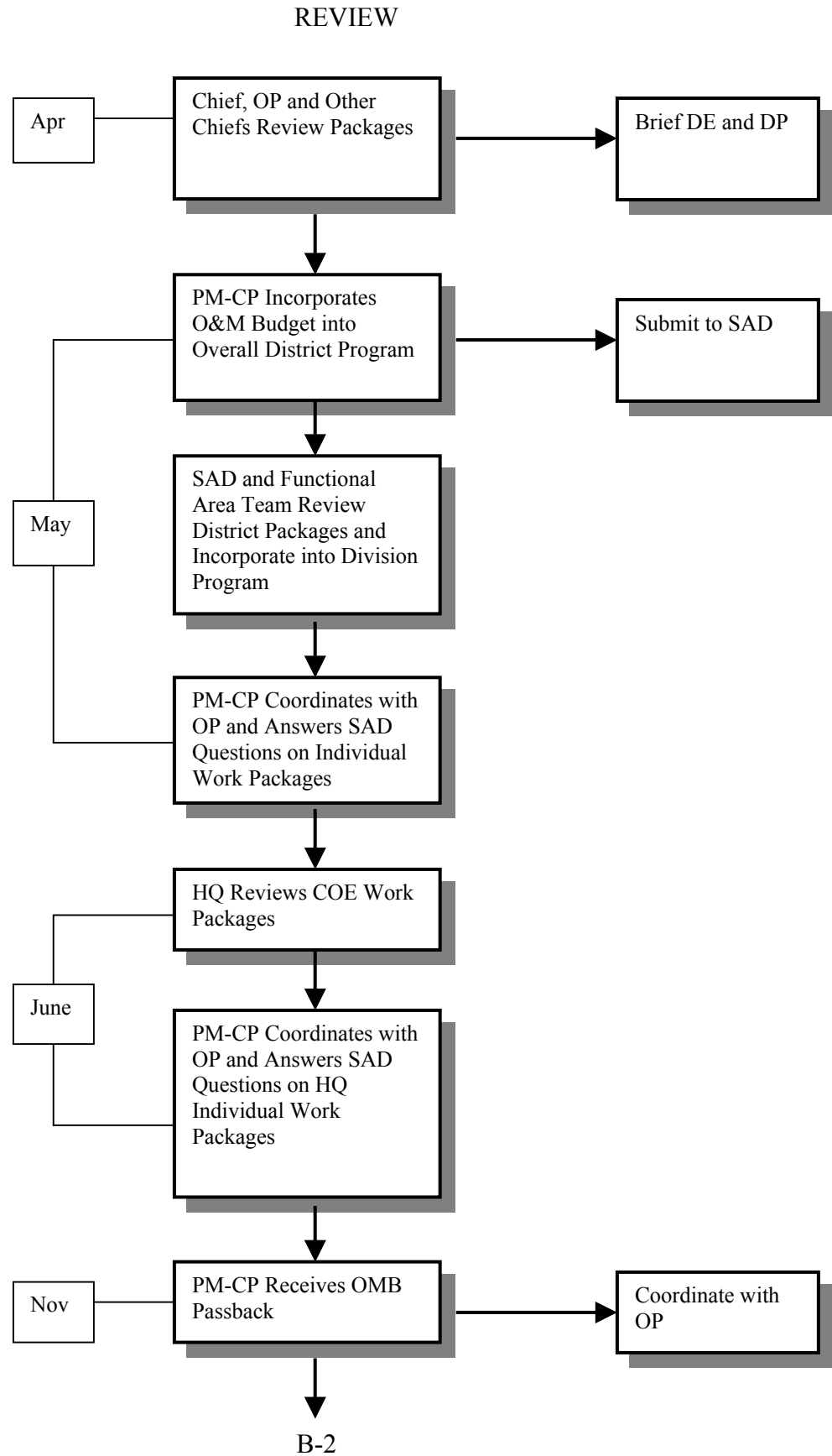
Sep	PM-CP receives work allowances from HQ and coordinates with OP.
Sep	PM-CP places work allowances in Operations Manager's funded work items in coordination with Chief, OP.

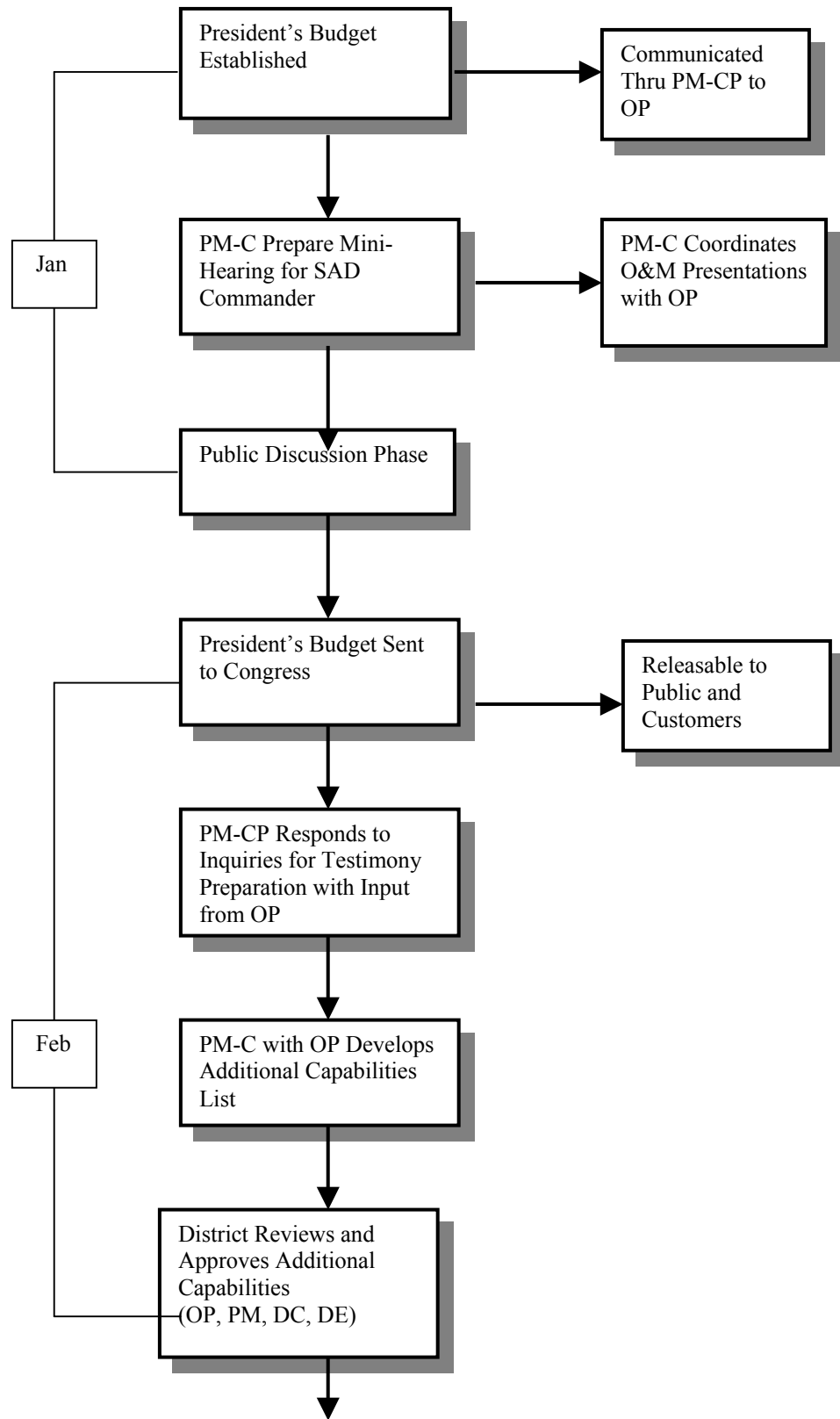
Sep	PM-CP places funds in O&M support organizations funded work items in coordination with Operations Managers (OMs).
Oct	Final obligation and expenditure plan (2101) is developed by the OMs and submitted to PM-CP for input into PRISM.
Oct-Sep	OP conducts quarterly reviews (or as required) with PM-CP, Operations Managers and District O&M support organizations regarding execution progress.
Oct-Sep	OP and PM-C assist OMs and others with unliquidated obligations and open commitment scrubs.
Oct-Sep	Monthly, OP/PM-CP compare actual to scheduled against the 2101 and identify slippage or accelerations.
Oct-Sep	OP updates the current 2101 schedule to reflect changes in the program and submits to PM-CP for update in PRISM.



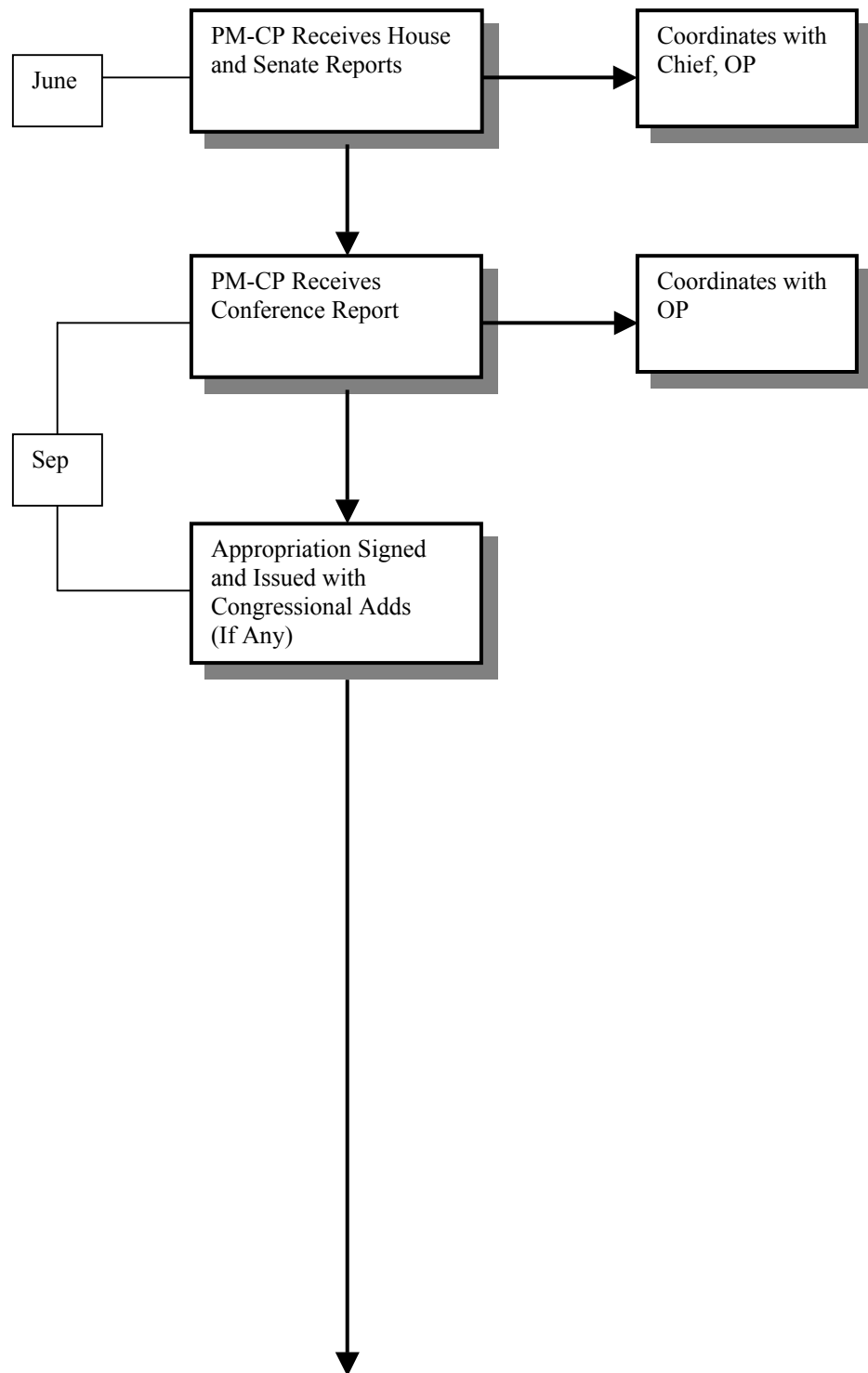
APPENDIX B  
O&M GENERAL BUDGET PROCESS FLOWCHART  
BUDGET FORMULATION







## PROGRAM DEVELOPMENT



## EXECUTION

